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U. S. DEPT. OF AGRICULTURE

Do You Favor Cotton Marketing Quotas For 1940?

Marketing quotas will be in effect only if approved by at least two-thirds of the cotton producers voting in the Referendum on December 9

The 1940 marketing quota for a farm will be the cotton acreage allotment multiplied by the actual or normal yield, whichever is the larger, plus any carry-over cotton which could have been marketed without penalty in 1939.

If Cotton Marketing Quotas Are in Effect in 1940—

LOANS

1. Producers who plant within, or unknowingly overplant, their cotton acreage allotments will be eligible for any cotton loans offered.
2. Producers who knowingly overplant their cotton acreage allotments will not be eligible for cotton loans except on 1940 cotton in excess of their marketing quotas, and then only at 60 percent of the rate for other producers.

PENALTIES

3. Producers who plant within their cotton acreage allotments can market without penalty all cotton produced in 1940.
4. Producers who overplant their cotton acreage allotments will pay a 3 cents per pound penalty on cotton marketed in excess of the actual or normal production of their acreage allotments.

If Cotton Marketing Quotas Are Not in Effect in 1940—

1. No restrictions will be imposed on the amount of cotton which may be marketed by any producer regardless of the number of acres he plants.
2. No cotton loans will be available on the 1940 crop.
3. Less land will be available for soil-building and food and feed crops.

If Cotton Marketing Quotas Are or Are Not in Effect in 1940—

1. Producers who plant within their cotton acreage allotments—
 - a. Will receive full conservation payments.
 - b. Will receive price adjustment payments.
2. Producers who unknowingly overplant their cotton acreage allotments—
 - a. Will receive conservation payments with deductions.
 - b. Will not receive price adjustment payments.
3. Producers who knowingly overplant their cotton acreage allotments—
 - a. Will not receive conservation payments.
 - b. Will not receive price adjustment payments.

Marketing quotas have no effect on the cotton acreage allotment or normal yield for any farm nor in the rate of conservation of price adjustment payments.

Quotas may be used to forestall further increases in our already large cotton supply, and to protect each producer's fair share of the domestic and foreign demand for American cotton. Marketings in excess of this demand lower the income of all cotton farmers and tend to defeat the efforts of those trying to produce and sell the amount needed by the world.

The Cotton Situation and the World War

Farmers are in a better position than at any time during the World War to deal with a farm emergency. They have had several years of experience in working together and in adjusting agriculture to emergency situations

The Present Cotton Situation :

1. The world supply of American cotton, due mainly to overproduction in 1937, is about 26 million bales, as much as we ordinarily consume and export in 2 years.
2. Our crop of about 12 million bales this year is considered fairly small, but our carry-over of 14 million bales is the largest on record.
3. During the past year we consumed about as much cotton as usual, but our exports were only 3.3 million bales, the lowest in 60 years.
4. This year's supply of all cotton is 50 million bales, only about $\frac{1}{2}$ million bales less than the world's record supply.

Cotton—Now Compared with 1914.

1. The world supply of American cotton is more than 8 million bales larger than at the beginning of the World War, but consumption is not likely to be as large as it was in 1914–1915.
2. Before the World War we supplied 65 percent of all the cotton consumed in the world. Now we furnish 42 percent.
3. Cotton consumption in this country during the war increased about $1\frac{1}{4}$ million bales per year, but our exports fell from about $9\frac{1}{4}$ to about $4\frac{1}{4}$ million bales per year.
4. War and a large crop caused cotton to drop from $12\frac{1}{2}$ cents in July 1914 to $6\frac{1}{2}$ cents in November that year. Two years passed before it reached $12\frac{1}{2}$ cents again.

Every effort is being made to expand the American and foreign markets for our cotton, but supplies are now far in excess of demand. This means that the markets we have should be shared equitably by all cotton producers. Marketing quotas offer assistance in doing this.

Marketing quotas can be used only when supplies are excessive. The farm program, of which quotas are a part, provides assistance toward helping cotton farmers to:

1. Get a fairer share of the Nation's income.
 2. Produce the food and feed needed for home use.
 3. Maintain and improve the productivity of their soil.
 4. Provide consumers with ample supplies of food, feed, and fiber at fair prices.
 5. Expand domestic and foreign consumption of cotton.
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COTTON MARKETING QUOTA REFERENDUM—SATURDAY, DECEMBER 9